

Message Text

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65-60

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EO 11652: N/A

TAGS: EGEN, PE

SUBJECT: GOP ECONOMIC MINISTERS MEET THE PUBLIC

REF: LIMA 2683

1. ELEVEN GOP MINISTERS, HEADED BY PRIME MINISTER MORALES BERMUDEZ, PLUS THE HEAD OF THE NATIONAL PLANNING INSITUTE MET ON APRIL 4 WITH PUBLIC IN FIRST OF SERIES OF PROJECTED "DIALOGUES." DURING COURSE OF MEETING, PREMIER SAID THAT ONLY WAS FOR PERU TO BEAT WORLD RECESSION AND INFLATION AND SMOOTH ROAD TOWARD DEVELOPMENT WAS TO INCREASE PRODUCTION; HE HINTED AT POSSIBLE FUTURE ECONOMIC POLICY MEASURES BY NOTING THAT PRESENT SITUATION IMPLIES THE ESTABLISHMENT OF A POLICY ON PRICES AND SALARIES AT THE NATIONAL LEVEL." HE PLACED SPECIAL EMPHASIS ON INCREASING THE LEVEL OF FOOD PRODUCTION, LACK OF WHICH COULD "IMPEDE PROCESS OF THE REVOLUTION." HE ALSO UNDERLINED NEED TO INCREASE EXPORTS WHICH, HE SAID, WOULD ASSURE THE VALUE OF PERUVIAN MONETARY UNIT.

2. IN RESPONSE TO VARIOUS QUESTIONS FROM AUDIENCE, HE ACKNOWLEDGED LARGE DIFFERENCES IN SALARIES ("THIS WILL SLOWLY DISAPPEAR"). VOICED CONCERN OVER HIGH PRICE OF BASIC COMMODITIES (" WE STILL HAVE NOT ACHIEVED OUR IN-
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CREASED PRODUCTION GOALS"). NOTED DEFICIENCIES IN

MARKETING SYSTEM ("THEY WILL BE SOLVED IN A SHORT TIME"), AND REPORTED THAT "SHORTLY THERE WILL BE NECESSARY READJUSTMENTS IN THE FINANCIAL SYSTEM, ESPECIALLY WITH REGARD TO CREDIT FOR SMALL AND MEDIUM SIZED PRODUCERS." HE ADDED THAT IT IS DIFFICULT TO REPLACE ENTIRELY A FINANCIAL SYSTEM IN ONLY SIX YEARS. HE ALSO INDICATED THAT BEGINNING THIS YEAR COUNTRY WOULD BE RESTRUCTURED GEOGRAPHICALLY WITH VIEW TO INCREASING ADMINISTRATIVE DECENTRALIZATION.

3. OTHER GOP MINISTERS ALSO RESPONDED TO QUESTIONS BUT CONTRIBUTED NOTHING OF REAL IMPORTANCE.

4. COMMENT: GENERAL TONE OF STATEMENTS BY MORALES BERMUDEZ WAS SOMBER. HIS APPEALS TO PEOPLE OF PERU ("SACRIFICE, MUCH WORK, MUCH 'PARTICIPATION'") AND HINTS OF POSSIBLE FUTURE POLICY CHANGES INDICATE THT THIS FIRST ENCOUNTER BETWEEN GOP MINISTERS AND PEOPLE COULD HAVE BEEN FIRST SALVO OF A GOP PUBLICITY CAMPAIGN ASKING PEOPLE TO TIGHTEN BELTS IN PREPARATION FOR TOUGHER TIMES AHEAD. GOVERNMENT-CONTROLLED MEDIA HAILED "DIALOGUE," WITH GOP-OWNED CRONICA DEVOTING TOTALITY OF ITS FIRST SEVEN PAGES TO "UNPRECEDENTED FOUR-HOUR DIALOGUE WITH PEOPLE."
DEAN

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